WITF, Inc. and Subsidiary

Financial Statements and
Supplementary Information

June 30, 2011 and 2010

ParenteBeard

CONFIDENCE THROUGH CLARITY

WITF, Inc. and Subsidiary

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June 30, 2011 and 2010

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Independent Auditors' Report

Board of Directors
WITF, Inc.

We have audited the accompanying consolidated statement of financial position of WITF, Inc. and Subsidiary (collectively, Organizations) as of June 30, 2011 and 2010, and the related consolidated statements of activities, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WITF, Inc. and Subsidiary as of June 30, 2011 and 2010, and the changes in their net assets, and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

ParenteBeard LLC

Harrisburg, Pennsylvania
September 12, 2011

WITF, Inc. and Subsidiary

Consolidated Statement of Financial Position
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	$ 1,236,540	$ 1,416,246
Accounts receivable, net	1,234,338	1,071,200
Contracts receivable	351,048	339,931
Promises to give, net	54,715	74,367
Accrued interest receivable	6	155
Inventory and prepaid expenses	556,568	705,305
Broadcast rights	116,969	92,313
Promises to give - Capital Campaign	1,071,429	735,149
Investments	14,060,937	13,367,564
Total current assets	18,682,550	17,802,230
Property and Equipment, Net	23,308,507	24,767,751
Other Assets		
Station license	910,000	910,000
Investments	492,580	314,226
Deferred income taxes	329,000	271,000
Loan closing costs, net	173,933	182,183
Promises to give - Capital Campaign, net	50,795	296,691
Interest in net assets of a community foundation	61,796	10,181
Broadcast rights	-	9,874
Total other assets	2,018,104	1,994,155
Total assets	$ 44,009,161	$ 44,564,136

See notes to consolidated financial statements

WITF, Inc. and Subsidiary

Consolidated Statement of Financial Position
June 30, 2011 and 2010

	2011	2010
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	$ 550,000	$ 530,000
Current portion of obligations under capital leases	9,466	5,940
Accounts payable	610,984	520,863
Accrued payroll and vacation	369,657	308,103
Accrued and withheld payroll taxes	37,050	33,796
Deferred revenue	1,868,707	1,780,619
Accrued interest payable	74,288	76,181
Broadcast rights	-	8,457
Total current liabilities	3,520,152	3,263,959
Other Liabilities		
Deferred revenue	5,066,843	5,674,213
Accrued pension liability	564,229	903,357
Charitable gift annuity obligation	139,748	133,741
Interest rate swap liability	1,713,201	1,986,177
Obligations under capital leases	25,817	-
Long-term debt	17,983,333	18,533,333
Total other liabilities	25,493,171	27,230,821
Total liabilities	29,013,323	30,494,780
Net Assets		
Unrestricted	13,291,191	12,602,043
Temporarily restricted	1,468,452	1,369,953
Permanently restricted	236,195	97,360
Total restricted net assets	1,704,647	1,467,313
Total net assets	14,995,838	14,069,356
Total liabilities and net assets	$ 44,009,161	$ 44,564,136

See notes to consolidated financial statements

WITF, Inc. and Subsidiary

Consolidated Statement of Activities
Years Ended June 30, 2011 and 2010

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
Fees and rentals	$ 5,959,360	$ -	$ -	$ 5,959,360
Contributions	4,584,026	447,750	125,000	5,156,776
Program underwriting	-	1,689,265	-	1,689,265
Interest income	405,699	-	-	405,699
Gain on sale of investments	365,401	-	-	365,401
Net assets released from restrictions	2,038,516	(2,038,516)	-	-
Loss on sale of property and equipment	(1,554)	-	-	(1,554)
Total revenue	13,351,448	98,499	125,000	13,574,947
Expenses				
Broadcasting	5,105,843	-	-	5,105,843
Programming and production	4,564,950	-	-	4,564,950
Fundraising	1,971,452	-	-	1,971,452
Program information	1,424,600	-	-	1,424,600
Management and general	1,196,415	-	-	1,196,415
Telecommunications	594,723	-	-	594,723
Income taxes	(54,000)	-	-	(54,000)
Total expenses	14,803,983	-	-	14,803,983
Excess (deficiency) of revenue over expenses	(1,452,535)	98,499	125,000	(1,229,036)
Change in Interest in Net Assets of a Community Foundation	1,615	-	-	1,615
Unrealized Holding Gains on Investments	1,590,264	-	13,835	1,604,099
Change in Fair Value of Interest Rate Swap	272,976	-	-	272,976
Change in Charitable Gift Annuity Obligation	(7,180)	-	-	(7,180)
Gain on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	284,008	-	-	284,008
Changes in net assets	$ 689,148	$ 98,499	$ 138,835	$ 926,482

See notes to consolidated financial statements

WITF, Inc. and Subsidiary

Consolidated Statement of Activities
Years Ended June 30, 2011 and 2010

	2010			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Revenue				
Fees and rentals	$ 5,057,600	$ -	$ -	$ 5,057,600
Contributions	4,770,254	205,000	-	4,975,254
Program underwriting	-	1,856,239	-	1,856,239
Interest income	306,292	-	-	306,292
Gain on sale of investments	328,963	-	-	328,963
Net assets released from restrictions	2,212,347	(2,212,347)	-	-
Total revenue	12,675,456	(151,108)	-	12,524,348
Expenses				
Broadcasting	4,524,789	-	-	4,524,789
Programming and production	4,727,249	-	-	4,727,249
Fundraising	1,976,118	-	-	1,976,118
Program information	1,496,833	-	-	1,496,833
Management and general	1,318,354	-	-	1,318,354
Telecommunications	712,164	-	-	712,164
Income taxes	(152,000)	-	-	(152,000)
Total expenses	14,603,507	-	-	14,603,507
Deficiency of revenue over expenses	(1,928,051)	(151,108)	-	(2,079,159)
Change in Interest in Net Assets of a Community Foundation	1,208	-	-	1,208
Unrealized Holding Gains on Investments	771,065	-	5,816	776,881
Change in Fair Value of Interest Rate Swap	(784,063)	-	-	(784,063)
Change in Charitable Gift Annuity Obligation	(5,739)	-	-	(5,739)
Gain on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	85,054	-	-	85,054
Changes in net assets	$ (1,860,526)	$ (151,108)	$ 5,816	$ (2,005,818)

See notes to consolidated financial statements

WITF, Inc. and Subsidiary

Consolidated Statement of Changes in Net Assets
Years Ended June 30, 2011 and 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets, June 30, 2009	$ 14,462,569	$ 1,521,061	$ 91,544	$ 16,075,174
Changes in net assets	(1,860,526)	(151,108)	5,816	(2,005,818)
Net Assets, June 30, 2010	12,602,043	1,369,953	97,360	14,069,356
Changes in net assets	689,148	98,499	138,835	926,482
Net Assets, June 30, 2011	$ 13,291,191	$ 1,468,452	$ 236,195	$ 14,995,838

See notes to consolidated financial statements

WITF, Inc. and Subsidiary

Consolidated Statement of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Changes in net assets	$ 926,482	$ (2,005,818)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization	1,645,182	1,639,180
Amortization of broadcast rights	12,418	24,333
Amortization of loan closing costs	8,250	427,141
Barter revenue	(217,810)	(156,322)
Barter expense	165,449	189,440
Gain on items not yet recognized as a component of net periodic pension cost	(339,128)	(52,523)
Provision for uncollectible accounts and bad debts	79,443	55,123
Change in unamortized discount	(18,884)	10,583
Gain on sale of investments	(365,401)	(328,963)
Unrealized holding gains on investments	(1,604,099)	(776,881)
Restricted contributions - Capital Campaign	(575,158)	(213,594)
Loss on disposal of property and equipment	1,554	-
Change in interest in net assets of a community foundation	(1,615)	(1,208)
Change in deferred income taxes	(58,000)	(133,000)
Change in interest rate swap liability	(272,976)	784,063
(Increase) decrease in assets:		
Accounts receivable	(207,609)	628,931
Contracts receivable	(11,117)	(15,912)
Promises to give	(3,591)	(52,658)
Accrued interest receivable	149	142
Inventory and prepaid expenses	154,533	99,456
Prepaid corporate taxes	-	920
Increase (decrease) in liabilities:		
Accounts payable	99,044	132,619
Accrued payroll and vacation	61,554	(33,426)
Accrued and withheld payroll taxes	3,254	(914)
Deferred revenue	(472,717)	(632,823)
Accrued interest payable	(1,893)	(16,074)
Charitable gift annuity obligation	6,007	38,770
Broadcast rights	(8,457)	(3,984)
Net cash used in operating activities	(995,136)	(393,399)

See notes to consolidated financial statements

Consolidated Statement of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows from Investing Activities		
Capital expenditures	$ (157,174)	$ (845,665)
Purchase of broadcast rights	(27,200)	(108,846)
Purchase of investments	(576,108)	(840,246)
Proceeds from sale of investments	1,684,444	1,130,095
Purchase of interest in net assets of a community foundation	(50,000)	-
Net cash provided by (used in) investing activities	873,962	(664,662)
Cash Flows from Financing Activities		
Principal repayments of obligations under capital leases	(9,898)	(5,712)
Temporarily restricted contributions - Capital Campaign	371,366	353,341
Permanently restricted contributions - Capital Campaign	110,000	-
Cash paid for loan closing costs	-	(189,745)
Principal repayments of long-term debt	(530,000)	(510,000)
Net cash used in financing activities	(58,532)	(352,116)
Net decrease in cash and cash equivalents	(179,706)	(1,410,177)
Cash and Cash Equivalents, Beginning	1,416,246	2,826,423
Cash and Cash Equivalents, Ending	$ 1,236,540	$ 1,416,246
Supplementary Cash Flows Information		
Interest paid	$ 931,202	$ 1,000,214

Supplementary Schedule of Noncash Investing and Financing Activities

In 2011:

The Organizations included $32,453 of property and equipment in accounts payable.
The Organizations entered into $171,245 of new barter agreements.
Investments of $10,563 were received as payment on promises to give.
The Organizations entered into $41,869 of capital lease obligations.
The Organizations terminated capital lease obligations with a remaining balance of $2,628.

In 2010:

The Organizations included $41,376 of property and equipment in accounts payable.
The Organizations entered into $231,755 of new barter agreements.
Investments of $51,785 were received as payment on promises to give.

1. Nature of Operations

WITF, Inc. (a Pennsylvania nonprofit corporation) (WITF) operates the WITF-TV and FM stations in Harrisburg, Pennsylvania. WITF, Inc. and Subsidiary's (collectively, Organizations) revenue is primarily from contributions, fees, and rentals.

Effective July 1, 2000, WITF, Inc. established a wholly-owned subsidiary, WITF Enterprises, Inc. (a Pennsylvania C corporation) (Enterprises). Enterprises was created by the transfer of assets and liabilities of a former division of WITF, Inc., the Radio PA Network. Enterprises derives substantially all of its revenue from advertising sales.

2. Estimates and Summary of Significant Accounting Policies

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Principles of Consolidation

The consolidated financial statements include the accounts of WITF and its wholly-owned subsidiary. All significant intercompany balances and transactions are eliminated in consolidation.

Basis of Accounting

The Organizations' financial statements and books are maintained on the accrual basis.

The respective revenue and costs of nonindependently-funded programs are deferred until their completion at which time the amounts are transferred to the revenue and expense accounts.

The Organizations use the percentage-of-completion method of accounting for independently-funded revenue, whereby the cumulative production revenue earned equals the ratio of costs incurred to estimated total costs at completion applied to the total committed revenue from outside sponsors. Production costs include charges by subcontractors plus all direct labor and other direct costs. Indirect and general and administrative expenses are charged to expense as incurred. Cost estimates on programs are reviewed periodically as the work progresses and adjustments, if needed, are reflected in the period in which the estimates are revised.

Basis of Presentation

Net assets of the Organizations and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations plus equity of the for-profit entity.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of WITF and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that must be maintained permanently by WITF.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

In addition, the Organization places their temporary cash investments with high credit quality financial institutions. The cash balances are commonly reinvested in overnight repurchase agreements. In evaluating this credit risk, the Organization periodically evaluates the stability of these financial institutions.

Accounts Receivable

Accounts receivable are stated at outstanding balances, less an allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income. Accounts deemed to be uncollectible are charged against the allowance and subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management’s periodic evaluation of the adequacy of the allowance is based on past experience, agings of the receivables, adverse situations that may affect a customer’s ability to pay, current economic conditions, and other relevant factors. This evaluation is inherently subjective as it requires estimates that may be susceptible to significant change. Unpaid balances remaining after the stated payment terms are considered past due.

As of June 30, 2011 and 2010, management established the allowance for doubtful accounts of $224,331 and $162,319, respectively.

Contracts Receivable

WITF enters into program underwriting contracts with various companies to provide underwriting spots through television, radios, or other outlets in exchange for a funding contribution. The remaining balance of the contract is reported as contracts receivable in the consolidated statement of financial position. All contracts are expected to be realized in less than one year.

Promises to Give

WITF engages in various fund-raising campaigns by offering some special television programs and on-air and telemarketing fund-raising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to WITF for enhancement of program offerings and operating expenses. Financial contributions are frequently evidenced by promises to give received from responding viewers. Contributions and collected promises to give are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of WITF. This usage is consistent with appeals for contributions and promises to give. All promises to give as of June 30, 2011 and 2010 are expected to be realized in less than one year.

WITF has established an allowance for uncollectible promises to give based on prior fulfillment rates.

Inventory

Inventory of materials and supplies not allocable to uncompleted contracts is stated at the lower of cost or market, cost being determined on the first-in, first-out method. Inventory is determined by physical count.

Interest in Net Assets of a Community Foundation

Interest in net assets of a community foundation is reported at fair value as determined by the community foundation.

Promises to Give - Capital Campaign

Promises to give - Capital Campaign are recognized when WITF is notified of the promises to give. If amounts become uncollectible, they will be charged against the allowance for uncollectible promises to give when that determination is made. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted rate of return. Amortization of the discount is included in contribution revenue.

Investments

Investments in debt and equity securities with readily determinable fair market values are reported at market value. Unrealized gains and losses are reported as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulation or by law. Realized gains and losses, if any, on the sale or disposal of investments are computed on a specific identification basis and are also included as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by donor stipulation or by law.

Property and Equipment

Property and equipment are reported at cost or, in the case of donated property, at estimated fair value determined as of the date of receipt.

Expenditures for additions, major renewals, and betterments are capitalized and expenditures for maintenance and repairs are charged to operations as incurred. Gain or loss on the sale or disposal of assets is credited or charged to operations, and the related asset costs and accumulated depreciation are removed from the respective accounts.

WITF's buildings and improvements are depreciated using the straight-line method over the estimated average useful lives of the assets of fourteen to thirty years. WITF's equipment is depreciated using the straight-line and accelerated methods over the estimated average useful lives of six to ten years. WITF's vehicles are depreciated using the straight-line method over the estimated average useful life of three years.

Enterprises' equipment and furniture are depreciated using straight-line and accelerated methods over their estimated average useful lives of six to ten years.

The Organizations' policy is to capitalize property and equipment expenditures of $1,000 or more.

Licensed Program Rights

Program series and other syndicated products are recorded at cost, based on the gross amount of the liability. Generally, these programs and products are amortized on an accelerated basis over the period of the license agreement.

Loan Closing Costs

Costs related to the closing of a note payable are capitalized and amortized over the straight-line terms of the related note payable.

Revenue Recognition

Unrestricted revenue, contributions, and pledges are recognized as revenue in the consolidated statement of activities upon receipt. State appropriation support is reported as unrestricted revenue. Expenditures of unrestricted funds are recognized as expenses when incurred.

Grant revenue is deemed to be in respect of exchange transactions and is classified as unrestricted revenue when received or receivable. Grant revenue is not deemed to be a contribution, since the proceeds thereof are used to pursue objectives of the grantor.

Restricted Support

WITF reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements of Enterprises, and consist of taxes currently due plus deferred taxes. Deferred taxes result primarily from the difference in the bases of property and equipment for financial and income tax reporting. This difference is referred to as a temporary difference. Deferred tax assets and liabilities represent the future tax return consequences of that difference, which will either be taxable or deductible when the temporary difference reverses, or when the underlying assets and liabilities are recovered or settled. Deferred taxes are also recognized for federal and state net operating loss carryforwards that are available to offset future taxable income. Management has elected not to record a valuation allowance since they anticipate being able to fully utilize this benefit before the net operating loss carryforwards expire.

WITF is recognized as being exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code. Accordingly, contributions to the organization are deductible under Section 170 of the Internal Revenue Code. WITF also files Form 990-T, reporting any unrelated business income earned.

WITF follows the provisions of the accounting standard for accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The standard also provides guidance on de-recognition, classification, interest and penalties, and disclosure. Management has determined that the standard does not have a material impact on the consolidated financial statements.

WITF's federal Exempt Organization Business Income Tax Returns for the years ended June 30, 2010, 2009, and 2008 remain subject to examination by the Internal Revenue Service.

Enterprises follows the provisions of the accounting standard on accounting for uncertainty in income taxes. A tax position is recognized as a benefit at the largest amount that is more-likely-than not to be sustained in a tax examination based solely on its merits. An uncertain tax position will not be recognized if it has less than a 50% likelihood of being sustained. Under the threshold guidelines, Enterprises believe no significant uncertain tax positions exist, either individually or in the aggregate, that would result in recognition of a liability for unrecognized tax benefits as of June 30, 2011.

Enterprises is subject to federal income tax and state income taxes in Pennsylvania. Enterprises is no longer subject to examination by federal and state authorities for the years ended before June 30, 2007.

Derivatives and Hedging Activity

WITF is a party to interest rate swap agreements to hedge the exposure to changing rates with respect to certain variable rate debt. In accordance, the accounting standard on Accounting for Derivative Instruments and Hedging Activities, all derivatives, whether designated in hedging relationships or not, are required to be recorded on the consolidated statement of financial position at fair value. WITF interest rate swaps are recorded at fair value as determined by a third party. Changes in the fair value of the swaps are recorded in the consolidated statement of activities as a component of the changes in net assets.

Subsequent Events

The Organizations have evaluated subsequent events through September 12, 2011, which is the date the consolidated financial statements were available to be issued.

3. Fair Value of Financial Instruments

The fair value hierarchy prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

An asset or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following valuation techniques were used to measure fair value of assets in the table on the following page on a recurring basis as of June 30, 2011 and 2010:

Investments in cash and certificates of deposit - The carrying amounts of cash and certificates of deposit approximate fair value because of the short-term nature of those investments.

Investments in mutual funds and equity securities - Fair value of Level 1 mutual funds and equity securities was based on quoted market prices for the identical security. Level 3 equity securities are common stock donated to WITF and are not publicly traded. The fair value was based on internal studies of stock values performed by the donating Foundation. The studies are not open to public disclosure.

Interest in net assets of a community foundation - Fair value of the interest in net assets of a community foundation was based on the fair value as determined by the community foundation.

Interest rate swap liability - Fair value of the interest rate swaps are based on quoted market prices when available or externally developed valuation models using forward looking assumptions of interest rates and the resulting effect on the underlying cash flows of the interest rate swaps. Adjustments are not made for nonperformance risk on behalf of either party.

The Organizations' financial instruments also include cash, accounts and other receivable, promises to give, accounts payable, charitable gift annuity obligation, and long-term debt. The carrying amounts of cash, accounts and other receivable, and accounts payable approximate fair values as of June 30, 2011 and 2010 because of the short maturities of those instruments. The carrying amounts of promises to give and charitable gift annuity obligation as of June 30, 2011 and 2010 approximate fair value as they have been discounted using risk adjusted rates. Additionally, the charitable gift annuity obligations were valued based on the annuitants' life expectancies. The carrying amounts of long-term debt are considered to approximate fair values as of June 30, 2011 and 2010 since they are subject to interest rates which vary depending on market conditions.

For assets (liabilities) measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy used are as follows as of June 30:

	2011			
	Total	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 329,806	$ 329,806	$ -	$ -
Mutual funds:				
Equity - international	7,889,525	7,889,525	-	-
Fixed income	4,382,884	4,382,884	-	-
Equity - domestic	1,237,040	1,237,040	-	-
Mixed - international	532,262	532,262	-	-
Total mutual funds	14,041,711	14,041,711	-	-
Common stock	182,000	-	-	182,000
Total investments	$ 14,553,517	$ 14,371,517	$ -	$ 182,000
Interest in net assets of a community foundation	$ 61,796	$ -	$ 61,796	$ -
Interest rate swap (2005)	$ (1,146,905)	$ -	$ (1,146,905)	$ -
Interest rate swap (2008)	(543,471)	-	(543,471)	-
Interest rate swap (2009)	(22,825)	-	(22,825)	-
Total interest rate swaps	$ (1,713,201)	$ -	$ (1,713,201)	$ -

	2010			
	Total	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 610,037	$ 610,037	$ -	$ -
Certificates of deposit	750,000	750,000	-	-
Mutual funds:				
Equity - international	6,416,146	6,416,146	-	-
Fixed income	4,725,406	4,725,406	-	-
Equity - domestic	998,201	998,201	-	-
Total mutual funds	12,139,753	12,139,753	-	-
Common stock	182,000	-	-	182,000
Total investments	$ 13,681,790	$ 13,499,790	$ -	$ 182,000
Interest in net assets of a community foundation	$ 10,181	$ -	$ 10,181	$ -
Interest rate swap (2005)	$ (1,325,888)	$ -	$ (1,325,888)	$ -
Interest rate swap (2008)	(638,774)	-	(638,774)	-
Interest rate swap (2009)	(21,515)	-	(21,515)	-
Total interest rate swaps	$ (1,986,177)	$ -	$ (1,986,177)	$ -

For assets falling within level 3 in the fair value hierarchy, the activity recognized is as follows during the years ended June 30:

	2011	2010
	Equity Securities	
Balances, beginning	$ 182,000	$ 182,000
Contributions	-	-
Distributions	-	-
Purchases	-	-
Loss on sale of investments	-	-
Unrealized holding gains	-	-
Balances, ending	$ 182,000	$ 182,000

4. Cash and Cash Equivalents

The Organizations' bank provides a cash management service which invests all excess cash. Cash consists of the following as of June 30:

	2011	2010
Checking, money market, and repurchase accounts	$ 1,236,540	$ 1,416,246

5. Station License

In December, 1995, Hudson Broadcasting Corp. waived claims for payment under an agreement which transferred rights to broadcast on television Channel 33 from Hudson to WITF. The Federal Communications Commission license to transmit on Channel 33 has been valued at $35,000 by the Executive Committee of the Board of Directors.

In January, 2009, WITF closed an asset purchase agreement with Broadcast Communications, Inc. to acquire station license WROG-FM, Chambersburg, Pennsylvania. The Federal Communications Commission license to transmit on WROG-FM, amounted to $875,000.

6. Interest in Net Assets of a Community Foundation

WITF is the beneficiary of endowment funds of both The Foundation for Enhancing Communities and York County Community Foundation (collectively, Foundations), community foundations. The Foundations maintain variance power over distributions from the funds. As beneficiary, WITF is entitled to annual distributions from the funds, based upon the Foundation's spending policy.

In accordance with the accounting standard on Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others, the organizational endowment fund created by WITF is reflected in the consolidated statement of financial position as interest in net assets of a community foundation. Through June 30, 2011 and 2010, WITF has contributed $61,791 and $11,791, respectively, to the funds. Future contributions are at the discretion of the Board of Directors of WITF.

7. Promises to Give - Capital Campaign

During the year ended June 30, 2010, the Organizations began collecting pledges for the "*On Trusted Ground:* The WITF 50th Anniversary Campaign". The silent phase of the Campaign will continue through October, 2011, with the public phase beginning November, 2011.

Promises to give - Capital campaign that are expected to be collected in more than one year were discounted to present value using a risk - adjusted rate ranging from 2.93% to 5.73%.

Promises to give - Capital Campaign consist of the following as of June 30:

	2011	2010
Promises to give	$ 1,404,679	$ 1,310,887
Unamortized discount	(26,176)	(45,060)
Allowance for uncollected promises to give	(256,279)	(233,987)
	1,122,224	1,031,840
Current portion	(1,071,429)	(735,149)
	$ 50,795	$ 296,691

The due dates of promises to give - Capital Campaign, assuming no change in current terms, consist of the following for the remaining five years ending June 30:

2012	$ 1,071,429
2013	111,500
2014	100,625
2015	90,766
2016	30,359
	$ 1,404,679

8. Investments

The cost, unrealized gains and losses, and fair value of investments consist of the following as of June 30:

	2011			
		Gross Unrealized		
	Cost	Gains	Losses	Fair Value
Cash and cash equivalents	$ 329,806	$ -	$ -	$ 329,806
Mutual funds:				
Equity - international	6,012,534	1,877,305	(314)	7,889,525
Fixed income	4,198,391	198,864	(14,371)	4,382,884
Equity - domestic	961,259	275,781	-	1,237,040
Mixed - international	496,821	35,441	-	532,262
Total mutual funds	11,669,005	2,387,391	(14,685)	14,041,711
Common stock	182,000	-	-	182,000
	$ 12,180,811	$ 2,387,391	$ (14,685)	$ 14,553,517

	2010			
Cash and cash equivalents	$ 610,037	$ -	$ -	$ 610,037
Certificates of deposit	750,000	-	-	750,000
Mutual funds:				
Equity - international	5,796,670	701,098	(81,622)	6,416,146
Fixed income	4,371,464	354,143	(201)	4,725,406
Equity - domestic	774,814	241,297	(17,910)	998,201
Total mutual funds	10,942,948	1,296,538	(99,733)	12,139,753
Common stock	182,000	-	-	182,000
	$ 12,484,985	$ 1,296,538	$ (99,733)	$ 13,681,790

Investment return consists of the following for the years ended June 30:

	2011	2010
Interest and dividends	$ 403,237	$ 301,472
Fees	(77,928)	(70,679)
Net realized and unrealized gains	1,969,500	1,105,844
	$ 2,294,809	$ 1,336,637

Long-term investments held as of June 30, 2011 and 2010, are comprised of investments in fixed income and equity securities. The Organizations have recorded total unrealized holding losses on five and twenty-one of these securities, respectively. Management believes that holding losses recorded on these investments are not a permanent impairment, but rather a temporary market decline. The following table shows the investments gross unrealized losses and fair value, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of June 30:

	2011					
	Less than Twelve Months		Twelve Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mutual funds:						
Fixed income	$ 1,212,767	$ (14,371)	$ -	$ -	$ 1,212,767	$ (14,371)
International equity	-	-	14,714	(314)	14,714	(314)
	$ 1,212,767	$ (14,371)	$ 14,714	$ (314)	$ 1,227,481	$ (14,685)

	2010					
Mutual funds:						
Fixed income	$ 5,684	$ (116)	$ 7,618	$ (85)	$ 13,302	$ (201)
International equity	1,166,506	(77,924)	9,470	(3,698)	1,175,976	(81,622)
Domestic equity	223,472	(17,088)	15,892	(822)	239,364	(17,910)
	$ 1,395,662	$ (95,128)	$ 32,980	$ (4,605)	$ 1,428,642	$ (99,733)

9. Endowments

WITF's endowments consist of several funds established for a variety of purposes. Its endowments include a donor-restricted endowment fund. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of WITF has interpreted the relevant state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, WITF classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted or temporarily restricted net assets until those amounts are appropriated for expenditure by WITF in a manner consistent with the standard of prudence prescribed by the relevant state law. Unless specifically defined by a donor-restricted endowment fund required by donor stipulation, WITF considers the following factors in making a determination to accumulate or appropriate endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and appreciation of investments
(6) Other resources of the organization
(7) The investment policies of the organization

The following schedule represents the endowment net asset composition by type of endowment fund as of June 30:

	2011	2010
Donor-restricted endowment funds	$ 219,377	$ 95,542

The following schedule represents the changes in endowment net assets for the years ended June 30:

	2011	2010
Endowment net assets, beginning of year	$ 95,542	$ 89,726
Investment return:		
Interest and dividends	12,990	-
Net appreciation (realized and unrealized)	13,835	5,816
Contributions	110,000	-
Disbursements	(12,126)	-
Fees	(864)	-
	$ 219,377	$ 95,542

Funds with Deficiencies

The fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the relevant state law requires WITF to retain as a fund of perpetual duration. In accordance with GAAP, these deficiencies are reported as unrestricted net assets. There were no such deficiencies reported as of June 30, 2011 and 2010.

Return Objectives and Risk Parameters

WITF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that WITF must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results to allow WITF to fund the appropriate programs while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

WITF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). WITF targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment Spending Policy and How the Investment Objectives Relate to the Spending Policy

The endowment funds of WITF are comprised of donor-designated endowment funds. The spending rate is the withdrawal rate from the endowment funds to fund specific expenditures consistent with specific endowment funds' objectives and approved by the Board of Directors. The not-to-exceed spending rate shall be recommended by the Investment Committee and approved by the Board of Directors, taking into consideration the following goals:

(1) Maximize long-term return goals
(2) Preserve the real long-term purchasing power of the Endowment Funds' portfolio's principal
(3) Optimize annual distribution from the Endowment Funds' portfolio
(4) Promote accountability of asset management
(5) Promote the Organization's fundraising efforts

The general spending policy of the Endowment Funds is based on a total return policy in which capital gains, interest and dividends are reinvested in the Endowment. The Spending Rate shall be based upon the moving average of the fair market values reported for the previous three years (twelve quarters). A target spending rate of 4.5% is recommended for an endowment that has a balanced allocation to equities and fixed income. For approval each year, the Investment and Finance Committee will recommend to the Board of Directors the spending rate considering the size, growth, and performance (past and projected) of the Endowment Funds and the needs of the operating budget. The recommended spending rate is not to exceed the target of 4.5%. For the years ended June 30, 2011 and 2010, the Board of Directors approved a spending rate of 4.5%.

10. Property and Equipment

Property and equipment consists of the following as of June 30:

	2011	2010
Building	$ 16,749,318	$ 16,749,318
Broadcasting equipment	8,464,920	8,410,510
Land *	1,542,360	1,542,360
DTV equipment	1,121,939	1,390,978
Office equipment	1,485,520	1,410,809
Production equipment	1,684,721	1,761,789
Furniture and fixtures	791,783	791,783
Donated equipment	603,920	603,920
ITFS equipment	276,022	276,022
FM equipment	180,462	180,462
Uplink equipment	132,991	132,991
Trucks	164,017	164,017
Building improvements	58,578	58,578
Leasehold improvements	32,374	29,294
Domain name	6,000	6,000
	33,294,925	33,508,831
Accumulated depreciation and amortization	(9,986,418)	(8,741,080)
	$ 23,308,507	$ 24,767,751

* Not depreciated

Depreciation and amortization expense amounted to $1,645,182 and $1,639,180 for the years ended June 30, 2011 and 2010, respectively.

WHP, a commercial television station in Harrisburg, Pennsylvania, contributed land which was valued at $122,000 by the Executive Committee of the Board of Directors in 1964 when received. The land was contributed with the provision that, if at any time after January, 1975, WITF should cease to use said land for educational television purposes, it will revert to WHP.

11. Loan Closing Costs

Loan closing costs represent costs incurred in closing on the Citizens Bank note payable (refer to Note 14) and consists of the following as of June 30:

	2011	2010
Loan closing costs	$ 189,745	$ 189,745
Accumulated amortization	(15,812)	(7,562)
	$ 173,933	$ 182,183

During the year ended June 30, 2010, a bond issue was converted to a note payable. The unamortized cost of the bond issuance costs previously recorded was recognized as amortization expense and removed from the consolidated statement of financial position. Amortization expense amounted to $8,250 and $427,141 for the years ended June 30, 2011 and 2010, respectively.

The estimated amortization expense consists of the following for the five years ending June 30:

2012	$ 8,250
2013	8,250
2014	8,250
2015	8,250
2016	8,250

12. Obligations under Capital Leases

An analysis of leased property under capital leases consists of the following as of and for the years ended June 30:

	2011	2010
Office equipment	$ 41,869	$ 12,968
Accumulated depreciation	(4,187)	(9,726)
	$ 37,682	$ 3,242
Amortization expense	$ 5,808	$ 6,484
Interest expense	$ 3,381	$ 5,416

The amortization expense on capital leases is included in the amount of depreciation and amortization expense reported in Note 10.

Future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, consist of the following for the five years ending June 30, 2016, and thereafter:

2012	$ 11,912
2013	11,912
2014	11,912
2015	4,278
2016	1,733
Thereafter	144
	41,891
Less: Amount representing interest	(6,608)
	$ 35,283
Current portion	$ 9,466
Noncurrent portion	25,817
	$ 35,283

13. Charitable Gift Annuity Obligation

During the years ended June 30, 2011 and 2010, WITF was the recipient of gift annuities that provides for the payment of distributions to the annuitants for the remainder of their lives. After this time period, the remaining assets are available for WITF's use. The annuities are reflected as a liability on WITF's consolidated statement of financial position at their present value discounted over the expected lives of the annuitants using discount rates ranging from 2.00% to 6.20%. The value of the gift annuities received over the calculated liability is recognized as unrestricted contribution revenue and amounted to $15,107 and $41,540 for the years ended June 30, 2011 and 2010, respectively. WITF will calculate the present value of the estimated future payments to the annuitants on an annual basis. The charitable gift annuity obligation amounted to $139,748 and $133,741 as of June 30, 2011 and 2010, respectively.

14. Long-Term Debt

On January 8, 2009, WITF entered into a note payable agreement with Citizens Bank of Pennsylvania for $1,000,000 for the purchase of a station license. The note requires monthly payments of $8,333, plus interest through January 8, 2014, plus a balloon payment at maturity. Interest on the unpaid principal balance accrues at a variable rate of LIBOR, plus 225 basis points, which was 2.44% as of June 30, 2011. The loan is collateralized by the station license.

On August 3, 2009, WITF entered into an agreement with Citizens Bank of Pennsylvania, which converted an outstanding Tax-Exempt Variable Rate Demand Revenue Bond, Series of 2005 to a Bank Qualified Tax-Free Term Loan for $18,615,000. The loan requires varying annual principal repayments, with all outstanding principal due on the maturity date of October 31, 2032. Additionally, the loan requires monthly interest payments, the amount of which is determined based on a rate of 30-day LIBOR, plus 250 basis points, multiplied by 68% which was 1.83% as of June 30, 2011. All accrued and unpaid interest will be due on the maturity date. The loan is collateralized by a mortgage on the location of WITF's primary facility.

Long-term debt consists of the following as of June 30:

	2011	2010
Citizens Bank of Pennsylvania - facilities	$ 17,775,000	$ 18,205,000
Citizens Bank of Pennsylvania - station license	758,333	858,333
	18,533,333	19,063,333
Less: Current maturities of long-term debt	(550,000)	(530,000)
	$ 17,983,333	$ 18,533,333

Aggregate maturities of long-term debt assuming, no change in these terms or other current terms, consist of the following for the five years ending June 30, 2016, and thereafter:

2012	$ 550,000
2013	575,000
2014	1,058,333
2015	525,000
2016	550,000
Thereafter	15,275,000
	$ 18,533,333

In order to achieve a fixed interest rate on a portion of the above-mentioned variable rate debt, WITF entered into an interest rate swap agreement that began on September 28, 2005 and ends on October 1, 2020. The agreement provides for WITF to pay a fixed rate of interest of 3.40% applied to the notional amount of the swap to the counterparty to the agreement and receive a variable rate of 68% of one-month LIBOR applied to the notional amount of the swap from the counterparty over the term of the agreement. The notional amount of the swap amounted to $2,226,000 at the beginning of the agreement, will increase to a high of $11.2 million through 2009, and then decrease to $7.7 million at maturity.

WITF entered into an interest rate swap agreement that began on April 1, 2008 and ends on October 1, 2020. The agreement provides for WITF to pay a fixed rate of interest of 2.98% applied to the notional amount of the swap to the counterparty to the agreement and receive a variable rate of 68% of one-month LIBOR applied to the notional amount of the swap from the counterparty over the term of the agreement. The notional amount of the swap amounted to $7,600,000 at the beginning of the agreement and will decrease to $5,106,000 at maturity.

WITF entered into an interest rate swap agreement that began on January 8, 2009 and ends on January 8, 2014. The agreement provides for WITF to pay a fixed rate of interest of 2.14% applied to the notional amount of the swap to the counterparty to the agreement and receive a variable rate of one-month LIBOR applied to the notional amount of the swap from the counterparty over the term of the agreement. The notional amount of the swap amounted to $1,000,000 at the beginning of the agreement and will decrease to $508,334 at maturity.

WITF has recorded the value of the interest rate swaps on the consolidated statement of financial position with the change in value reported on the consolidated statement of activities. The interest rate swaps are reported in the consolidated financial statements of WITF as follows for the years ended June 30:

	2011	
	Presentation on Consolidated Statement of Financial Position	**Presentation on Consolidated Statement of Activities (Unrestricted)**
	Interest Rate Swap Liability	**Change in Fair Value of Interest Rate Swap**
Interest rate swap #1 (2005)	$ (1,146,905)	$ 178,983
Interest rate swap #2 (2008)	(543,471)	95,303
Interest rate swap #3 (2009)	(22,825)	(1,310)
	$ (1,713,201)	$ 272,976
	2010	
Interest rate swap #1 (2005)	$ (1,325,888)	$ (444,138)
Interest rate swap #2 (2008)	(638,774)	(309,467)
Interest rate swap #3 (2009)	(21,515)	(30,458)
	$ (1,986,177)	$ (784,063)

Interest expense amounted to $929,309 and $984,140 for the years ended June 30, 2011 and 2010, respectively.

15. Commitments

WITF leases various operating facilities and equipment under operating leases. Future minimum lease payments consist of the following for the remaining three years ending June 30:

2012	$ 105,709
2013	42,653
2014	9,117

Future minimum lease payments disclosed above exclude sublease income related to the broadcast tower. The amounts to be received consist of the following for the remaining three years ending June 30:

2012	$ 146,825
2013	122,502
2014	61,096

Rent expense amounted to $121,039 and $123,785 for the years ended June 30, 2011 and 2010, respectively, excluding sublease income of $240,089 and $253,865, respectively.

WITF entered into several leases for Educational Broadband Service (EBS) stations that are not currently being used by WITF. The stations are being leased in four different locations. The leases each required an initial deposit to WITF, which amounted to $8,268,228 in total. The leases require initial monthly payments ranging from $5,992 to $17,775 and have an initial term of ten years, with two ten-year renewal options. The monthly payment amounts will increase by 3% on an annual basis. The initial deposits, along with the monthly payments, are being recognized on a straight-line basis over the term of the agreements.

During the year ended June 30, 2009, WITF entered into another lease for excess capacity use of Educational Broadband Service (EBS). The lease required an initial deposit to WITF of $432,943. The lease requires initial monthly payments of $2,598 and has an initial term of ten years, with two ten-year renewal options. The monthly payment amounts will increase by 3% on an annual basis. The initial deposits, along with the monthly payments, are being recognized on a straight-line basis over the term of the agreement.

Deferred revenue on the above leases amounted to $6,350,391 and $6,957,760 as of June 30, 2011 and 2010, respectively. Rental income on the above leases amounted to $1,283,547 for each of the years ended June 30, 2011 and 2010.

Future minimum lease payments consist of the following for the five years ending June 30, 2016, and thereafter:

2012	$ 697,339
2013	718,259
2014	739,807
2015	762,001
2016	784,861
Thereafter	23,741,178
	$ 27,443,445

16. Net Assets

Temporarily restricted - Temporarily restricted net assets consist of the following as of June 30:

	2011	2010
Promises to give - Capital Campaign	$ 1,105,406	$ 1,030,022
Television and radio underwriting contracts	351,048	339,931
Cash - Capital Campaign	11,998	-
	$ 1,468,452	$ 1,369,953

Permanently restricted - Permanently restricted net assets consist of the following as of June 30:

	2011	2010
Endowment investments	$ 219,377	$ 95,542
Promises to give - Capital Campaign - Endowment gift	16,818	1,818
	$ 236,195	$ 97,360

17. Donated Services and Materials

WITF receives services donated by people interested in WITF's programs. However, when the value of donated services is ascertainable and the services meet the requirements for financial statement recognition, they are reflected in the consolidated financial statement as revenue and expenses. There were no donated licensing agreements, equipment, and professional services recorded for each of the years ended June 30, 2011 and 2010.

18. Pension

WITF sponsors a defined benefit pension plan. The benefits under this plan were frozen effective April 30, 2005. In September, 2006, an accounting standard was issued for *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*. Effective for the fiscal year ended June 30, 2007, the Organizations adopted the provisions of this standard and recognized the funded status of the plan that it sponsors.

Guidance on fair value measurements establishes a fair value hierarchy that is intended to increase consistency and comparability in fair value measurements and related disclosures. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable (see Note 3).

Following is a description of the valuation methodology used for plan investments measured at fair value. There has been no significant change in the methodology used during the years ended June 30, 2011 and 2010.

Level 1 Fair Value Measurements

Investments in interest-bearing cash are stated at cost, which approximates fair value. The fair values of money market and mutual funds are based on quoted net asset values of the shares held by the Plan at year-end. The fair values of government bonds are valued at the closing price reported in the active market on which the individual securities are traded. All of these investments are classified within Level 1 of the valuation hierarchy. The Plan does not hold any Level 2 or 3 investments.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan's management believes the valuation methodology is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain investments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of June 30:

	2011			
		Fair Value Measurement Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money market fund	$ 65,207	$ 65,207	$ -	$ -
Mutual funds:				
Fixed income	2,440,256	2,440,256	-	-
Equity	2,658,191	2,658,191	-	-
	5,098,447	5,098,447	-	-
	$ 5,163,654	$ 5,163,654	$ -	$ -

	2010			
		Fair Value Measurement Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money market fund	$ 110,121	$ 110,121	$ -	$ -
Mutual funds:				
Fixed income	2,712,848	2,712,848	-	-
Equity	1,858,119	1,858,119	-	-
	4,570,967	4,570,967	-	-
	$ 4,681,088	$ 4,681,088	$ -	$ -

The following table sets forth the Plan's funded status as of June 30, 2011 and 2010, and amounts recognized in WITF's consolidated statement of financial position as of June 30:

	2011	2010
Projected benefit obligation	$ (5,727,883)	$ (5,584,445)
Plan assets at fair value	5,163,654	4,681,088
Funded status	$ (564,229)	$ (903,357)
Accrued pension cost	$ (564,229)	$ (903,357)

Items not yet recognized as a component of net periodic pension cost amounted to $1,278,987 and $1,558,995 for the years ended June 30, 2011 and 2010, respectively. Net periodic pension cost for the years ended June 30, 2011 and 2010 is reported net of deferred tax expense of $4,000 and $19,000, respectively, for the portion related to Enterprises.

The following table sets forth the plan's accumulated benefit obligation, net periodic pension cost, employer contributions, and benefits paid for the years ended June 30:

	2011	2010
Net periodic pension cost	$ 39,596	$ 55,546
Employer contributions	$ 19,523	$ 4,016
Benefits paid	$ 257,555	227,530
Accumulated benefit obligation	$ 5,727,883	$ 5,584,445

The following weighted average rates were used in determining the actuarial present value of the projected benefit obligations and the related net periodic pension cost as of and for the years ended June 30:

	2011	2010
Discount rate	5.75%	5.75%
Expected long-term rate of return on plan assets	8.50	8.50
Rate of increase in future compensation levels	-	-

The estimated long-term rate of return on plan assets (8.50%) was primarily based on asset allocation of the plan's assets. Analysis of the historic returns of this asset mix and projections of expected future returns based on current levels adjusted for expected increases were considered in setting the long-term rate of return.

The objective of the plan is to accumulate adequate funds to meet its obligations and required payments. In order to meet these objectives, the plan intends to invest at least 40% of total plan assets in equity securities of U. S. companies. Investments in securities of foreign issuers are also permitted unless substantial associated risks are apparent. At least 25% of total plan assets are to be invested in bonds. Investments in money market funds are permitted as needed for liquidity purposes or for temporary defensive purposes. The following categories of securities are not permissible for investment without the Finance Committee's prior written approval (among others): unregistered or restricted stock, commodities, tax-exempt securities, options, futures, direct investment in private debt of equity securities, partnerships, or any issues or instruments which might cause the plan to be in violation of the Prohibited Transactions rules of ERISA.

Plan assets consist of the following as of June 30:

	2011	2010
Cash and money markets	1%	2%
Mutual funds	99	98

Benefits expected to be paid for the years ending June 30:

2012	$ 282,182
2013	276,909
2014	305,807
2015	319,324
2016	367,955
2017 - 2021	2,114,962

No contributions are expected to be paid to the plan during the next fiscal year.

WITF had a tax deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan was funded entirely by employee contributions. Effective October 1, 2000, WITF replaced the 403(b) plan with a defined contribution plan under Section 401(k) of the Internal Revenue Code covering employees who meet certain length of service requirements. WITF's expense under the plan for the years ended June 30, 2011 and 2010 amounted to $252,394 and $260,772, respectively.

19. Income Taxes

Income taxes (benefit) for Enterprises consist of the following for the years ended June 30:

	2011	2010
Deferred tax expense (benefit), excluding effects of the following:	$ 4,000	$ (5,000)
Benefit of net operating loss carryforwards	(58,000)	(147,000)
	$ (54,000)	$ (152,000)

The federal income tax provision differs from the provision that would result from applying graduated federal statutory rates to income before income taxes because of the federal benefit of state income taxes and because certain transactions are without tax consequences.

The net deferred income taxes for Enterprises in the accompanying consolidated statement of financial position consist of the following as of June 30:

	2011		
	Federal	State	Total
Deferred income tax assets - noncurrent	$ 253,000	$ 110,000	$ 363,000
Deferred income tax liabilities - noncurrent	(26,000)	(8,000)	(34,000)
	$ 227,000	$ 102,000	$ 329,000
	2010		
Deferred income tax assets - noncurrent	$ 169,000	$ 102,000	$ 271,000

Enterprises has federal net operating loss carryforwards of $703,713. Of this total $170,471 will expire in fiscal year 2027, $71,430 will expire in fiscal year 2028, $456,438 will expire in fiscal year 2030, and $5,374 will expire in fiscal year 2031.

Enterprises has Pennsylvania net operating loss carryforwards of $950,591. Of this total, $100,134 will expire in fiscal year 2026, $317,026 will expire in fiscal year 2027, $71,619 will expire in fiscal year 2028, $456,438 will expire in fiscal year 2030, and $5,374 will expire in fiscal year 2031.

20. Community Service Grants

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grantmaking organization responsible for funding television and radio stations. CPB distributes annual Community Service Grants (CSG) to qualifying public telecommunication entities. CSG are used to augment the financial resources of public broadcasting stations and thereby to enhance the quality of programming and expand the scope of public broadcasting services.

According to the Communications Act, funds may be used at the discretion of recipients. Public broadcasters use these funds for purposes relating primarily for program acquisition and general station operations.

The grants are reported on the accompanying consolidated financial statement as unrestricted operating funds; however, certain guidelines must be satisfied in connection with application for and use of the grants to maintain eligibility and compliance requirements. These guidelines pertain to the use of grant funds, recordkeeping, audits, financial reporting, and licensee status with the Federal Communications Commission.

Community Service Grants received during the years ended June 30, 2011 and 2010 amounted to $1,312,007 and $1,459,752, respectively.

21. Functional Expenses

The Organizations operate the WITF-TV and FM stations in Harrisburg, Pennsylvania. The functional expense classification of providing these services are as follows for the years ended June 30:

	2011	2010
Program services	$ 11,636,116	$ 11,309,035
Supporting services:		
Fundraising	1,971,452	1,976,118
Management and general	1,196,415	1,318,354
	$ 14,803,983	$ 14,603,507

22. Concentrations of Cash and Credit Risk

At times during the years ended June 30, 2011 and 2010, the Organizations' cash balances may have exceeded the federally insured limit of $250,000. The balances in the Organization's cash accounts exceeded the FDIC insured limit by $1,290,451 and $1,960,088, as of June 30, 2011 and 2010, respectively.

The interest rate swap (refer to Note 14) exposes WITF to credit risk to the extent the swap has a positive fair value. A positive fair value indicates that the counterparty owes WITF money while a negative fair value indicates that WITF owes the counterparty. WITF manages this risk by dealing with high-quality counterparties.

ParenteBeard

Independent Auditors' Report
on Supplementary Information

Board of Directors
WITF, Inc.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The following supplementary information accompanying the consolidated financial statements is presented for the purposes of additional analysis and is not a required part of the basic consolidated financial statements. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and, accordingly, we express no opinion on such information.

ParenteBeard LLC

Harrisburg, Pennsylvania
September 12, 2011

WITF, Inc. and Subsidiary

Consolidating Schedule of Financial Position Information
June 30, 2011 and 2010
(See Auditors' Report on Supplementary Information)

	2011			
Assets	**WITF, Inc.**	**WITF Enterprises, Inc.**	**Eliminations**	**Totals**
Current Assets				
Cash and cash equivalents	$ 614,832	$ 621,708	$ -	$ 1,236,540
Accounts receivable, net	739,242	495,096	-	1,234,338
Contracts receivable	351,048	-		351,048
Promises to give, net	54,715	-	-	54,715
Accrued interest receivable	3	3	-	6
Inventory and prepaid expenses	554,859	1,709	-	556,568
Broadcast rights	116,969	-	-	116,969
Promises to give - Capital Campaign	1,071,429	-	-	1,071,429
Investments	14,060,937	-	-	14,060,937
Due from WITF Enterprises, Inc.	1,338,202	-	(1,338,202)	-
Total current assets	18,902,236	1,118,516	(1,338,202)	18,682,550
Property and Equipment, Net	23,308,507	-	-	23,308,507
Other Assets				
Station license	910,000	-	-	910,000
Investments	492,580	-	-	492,580
Deferred income taxes	-	329,000	-	329,000
Loan closing costs, net	173,933	-	-	173,933
Promises to give - Capital Campaign, net	50,795	-	-	50,795
Interest in net assets of a community foundation	61,796	-	-	61,796
Investment in affiliates	(287,164)	-	287,164	-
Total other assets	1,401,940	329,000	287,164	2,018,104
Total assets	$ 43,612,683	$ 1,447,516	$ (1,051,038)	$ 44,009,161

WITF, Inc. and Subsidiary

Consolidating Schedule of Financial Position Information
June 30, 2011 and 2010
(See Auditors' Report on Supplementary Information)

	2011			
Liabilities and Net Assets/Stockholder's Equity	**WITF, Inc.**	**WITF Enterprises, Inc.**	**Eliminations**	**Totals**
Current Liabilities				
Current maturities of long-term debt	$ 550,000	$ -	$ -	$ 550,000
Current portion of obligations under capital leases	9,466	-	-	9,466
Accounts payable	364,990	245,994	-	610,984
Accrued payroll and vacation	293,251	76,406	-	369,657
Accrued and withheld payroll taxes	29,554	7,496	-	37,050
Deferred revenue	1,868,705	2	-	1,868,707
Accrued interest payable	74,288	-	-	74,288
Due to WITF, Inc.	-	1,338,202	(1,338,202)	-
Total current liabilities	3,190,254	1,668,100	(1,338,202)	3,520,152
Other Liabilities				
Deferred revenue	5,066,843	-	-	5,066,843
Accrued pension liability	497,649	66,580	-	564,229
Charitable gift annuity obligation	139,748	-	-	139,748
Interest rate swap liability	1,713,201	-	-	1,713,201
Obligations under capital leases	25,817	-	-	25,817
Long-term debt	17,983,333	-	-	17,983,333
Total other liabilities	25,426,591	66,580	-	25,493,171
Total liabilities	28,616,845	1,734,680	(1,338,202)	29,013,323
Net Assets				
Unrestricted	13,291,191	-	-	13,291,191
Temporarily restricted	1,468,452	-	-	1,468,452
Permanently restricted	236,195	-	-	236,195
Total restricted net assets	1,704,647	-	-	1,704,647
Total net assets	14,995,838	-	-	14,995,838
Stockholder's Equity				
Common stock	-	100	(100)	-
Pain-in capital	-	503,189	(503,189)	-
Retained earnings	-	(685,026)	685,026	-
Accumulated other comprehensive loss	-	(105,427)	105,427	-
Total stockholder's equity	-	(287,164)	287,164	-
Total net assets/stockholder's equity	14,995,838	(287,164)	287,164	14,995,838
Total liabilities and net assets/ stockholder's equity	$ 43,612,683	$ 1,447,516	$ (1,051,038)	$ 44,009,161

WITF, Inc. and Subsidiary

Consolidating Schedule of Financial Position Information
June 30, 2011 and 2010
(See Auditors' Report on Supplementary Information)

Assets	2010 WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Current Assets				
Cash and cash equivalents	$ 991,370	$ 424,876	$ -	$ 1,416,246
Accounts receivable, net	729,979	341,221	-	1,071,200
Contracts receivable	339,931	-	-	339,931
Promises to give, net	74,367	-	-	74,367
Accrued interest receivable	153	2	-	155
Inventory and prepaid expenses	697,487	7,818	-	705,305
Broadcast rights	92,313	-	-	92,313
Promises to give - Capital Campaign	735,149	-		735,149
Investments	13,367,564	-	-	13,367,564
Due from WITF Enterprises, Inc.	1,115,618	-	(1,115,618)	-
Total current assets	18,143,931	773,917	(1,115,618)	17,802,230
Property and Equipment, Net	24,766,664	1,087	-	24,767,751
Other Assets				
Station license	910,000	-	-	910,000
Investments	314,226	-	-	314,226
Deferred income taxes	-	271,000	-	271,000
Loan closing costs, net	182,183	-	-	182,183
Promises to give - Capital Campaign, net	296,691	-	-	296,691
Interest in net assets of a community foundation	10,181	-	-	10,181
Broadcast rights	9,874	-	-	9,874
Investment in affiliates	(330,589)	-	330,589	-
Total other assets	1,392,566	271,000	330,589	1,994,155
Total assets	$ 44,303,161	$ 1,046,004	$ (785,029)	$ 44,564,136

WITF, Inc. and Subsidiary

Consolidating Schedule of Financial Position Information
June 30, 2011 and 2010
(See Auditors' Report on Supplementary Information)

	2010			
Liabilities and Net Assets/Stockholder's Equity	**WITF, Inc.**	**WITF Enterprises, Inc.**	**Eliminations**	**Totals**
Current Liabilities				
Current maturities of long-term debt	$ 530,000	$ -	$ -	$ 530,000
Current portion of obligations under capital leases	5,940	-	-	5,940
Accounts payable	410,215	110,648	-	520,863
Accrued payroll and vacation	251,124	56,979	-	308,103
Accrued and withheld payroll taxes	28,080	5,716	-	33,796
Deferred revenue	1,775,974	4,645	-	1,780,619
Accrued interest payable	76,181	-	-	76,181
Broadcast rights	8,457	-	-	8,457
Due to WITF, Inc.	-	1,115,618	(1,115,618)	-
Total current liabilities	3,085,971	1,293,606	(1,115,618)	3,263,959
Other Liabilities				
Deferred revenue	5,674,213	-	-	5,674,213
Accrued pension liability	820,370	82,987	-	903,357
Charitable gift annuity obligation	133,741	-	-	133,741
Interest rate swap liability	1,986,177	-	-	1,986,177
Long-term debt	18,533,333	-	-	18,533,333
Total other liabilities	27,147,834	82,987	-	27,230,821
Total liabilities	30,233,805	1,376,593	(1,115,618)	30,494,780
Net Assets				
Unrestricted	12,602,043	-	-	12,602,043
Temporarily restricted	1,369,953	-	-	1,369,953
Permanently restricted	97,360	-	-	97,360
Total restricted net assets	1,467,313	-	-	1,467,313
Total net assets	14,069,356	-	-	14,069,356
Stockholder's Equity				
Common stock	-	100	(100)	-
Pain-in capital	-	503,189	(503,189)	-
Retained earnings	-	(715,535)	715,535	-
Accumulated other comprehensive loss	-	(118,343)	118,343	-
Total stockholder's equity	-	(330,589)	330,589	-
Total net assets/stockholder's equity	14,069,356	(330,589)	330,589	14,069,356
Total liabilities and net assets/ stockholder's equity	$ 44,303,161	$ 1,046,004	$ (785,029)	$ 44,564,136

WITF, Inc. and Subsidiary

Consolidating Schedule of Activities Information
Years Ended June 30, 2011
(See Auditors' Report on Supplementary Information)

	2011						
	WITF, Inc.						
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	WITF Enterprises, Inc.	Eliminations	Total
Revenue							
Fees and rentals	$ 3,697,311	$ -	$ -	$ 3,697,311	$ 2,262,049	$ -	$ 5,959,360
Contributions	4,584,026	447,750	125,000	5,156,776	-	-	5,156,776
Program underwriting	-	1,689,265	-	1,689,265	-	-	1,689,265
Interest income	405,699	-	-	405,699	-	-	405,699
Gain on sale of investments	365,401	-	-	365,401	-	-	365,401
Net assets released from restrictions	2,038,516	(2,038,516)	-	-	-	-	-
Management fee income	397,056	-	-	397,056	-	(397,056)	-
Investment in subsidiary income	43,425	-	-	43,425	-	(43,425)	-
Loss on sale of property and equipment	(1,554)	-	-	(1,554)	-	-	(1,554)
Total revenue	11,529,880	98,499	125,000	11,753,379	2,262,049	(440,481)	13,574,947
Expenses							
Broadcasting	3,217,359	-	-	3,217,359	1,888,484	-	5,105,843
Programming and production	4,564,950	-	-	4,564,950	-	-	4,564,950
Fundraising	1,971,452	-	-	1,971,452	-	-	1,971,452
Program information	1,424,600	-	-	1,424,600	-	-	1,424,600
Management and general	1,196,415	-	-	1,196,415	-	-	1,196,415
Telecommunications	594,723	-	-	594,723	-	-	594,723
Income taxes	-	-	-	-	(54,000)	-	(54,000)
Total expenses	12,969,499	-	-	12,969,499	1,834,484	-	14,803,983
Excess (deficiency) of revenue over expenses	(1,439,619)	98,499	125,000	(1,216,120)	427,565	(440,481)	(1,229,036)

Change in Interest in Net Assets of a Community Foundation	1,615	-	-	1,615	-	-	1,615
Unrealized Holding Gains on Investments	1,590,264	-	13,835	1,604,099	-	-	1,604,099
Change in Fair Value of Interest Rate Swap	272,976	-	-	272,976	-	-	272,976
Change in Charitable Gift Annuity Obligation	(7,180)	-	-	(7,180)	-	-	(7,180)
Gain on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	271,092	-	-	271,092	12,916	-	284,008
Management Fee Expense	-	-	-	-	(397,056)	397,056	-
Changes in net assets/net income	$ 689,148	$ 98,499	$ 138,835	$ 926,482	$ 43,425	$ (43,425)	$ 926,482

WITF, Inc. and Subsidiary

Consolidating Schedule of Activities Information
Years Ended June 30, 2010
(See Auditors' Report on Supplementary Information)

	2010						
	WITF, Inc.						
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	WITF Enterprises, Inc.	Eliminations	Total
Revenue							
Fees and rentals	$ 3,644,574	$ -	$ -	$ 3,644,574	$ 1,413,026	$ -	$ 5,057,600
Contributions	4,770,254	205,000	-	4,975,254	-	-	4,975,254
Program underwriting	-	1,856,239	-	1,856,239	-	-	1,856,239
Interest income	306,292	-	-	306,292	-	-	306,292
Gain on sale of investments	328,963	-	-	328,963	-	-	328,963
Net assets released from restrictions	2,212,347	(2,212,347)	-	-	-	-	-
Management fee income	392,256	-	-	392,256	-	(392,256)	-
Investment in subsidiary income	(279,594)	-	-	(279,594)	-	279,594	-
Total revenue	11,375,092	(151,108)	-	11,223,984	1,413,026	(112,662)	12,524,348
Expenses							
Broadcasting	3,033,331	-	-	3,033,331	1,491,458	-	4,524,789
Programming and production	4,727,249	-	-	4,727,249	-	-	4,727,249
Fundraising	1,976,118	-	-	1,976,118	-	-	1,976,118
Program information	1,496,833	-	-	1,496,833	-	-	1,496,833
Management and general	1,318,354	-	-	1,318,354	-	-	1,318,354
Telecommunications	712,164	-	-	712,164	-	-	712,164
Income taxes	-	-	-	-	(152,000)	-	(152,000)
Total expenses	13,264,049	-	-	13,264,049	1,339,458	-	14,603,507
Excess (deficiency) of revenue over expenses	(1,888,957)	(151,108)	-	(2,040,065)	73,568	(112,662)	(2,079,159)

Change in Interest in Net Assets of a Community Foundation	1,208	-	-	1,208	-	-	1,208
Unrealized Holding Gains on Investments	771,065	-	5,816	776,881	-	-	776,881
Change in Fair Value of Interest Rate Swap	(784,063)	-	-	(784,063)	-	-	(784,063)
Change in Charitable Gift Annuity Obligation	(5,739)	-	-	(5,739)	-	-	(5,739)
Gain on Items Not Yet Recognized as a Component of Net Periodic Pension Cost	45,960	-	-	45,960	39,094	-	85,054
Management Fee Expense	-	-	-	-	(392,256)	392,256	-
Changes in net assets/net income (loss)	$ (1,860,526)	$ (151,108)	$ 5,816	$ (2,005,818)	$ (279,594)	$ 279,594	$ (2,005,818)

WITF, Inc. and Subsidiary

Consolidating Schedule of Changes in Net Assets/Stockholder's Equity Information
Years Ended June 30, 2011 and 2010
(See Auditors' Report on Supplementary Information)

	WITF, Inc.				WITF Enterprises, Inc.						
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	Common Stock	Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Totals	Eliminations	Totals
Net Assets/Stockholder's Equity, June 30, 2009	$ 14,462,569	$ 1,521,061	$ 91,544	$ 16,075,174	$ 100	$ 503,189	$ (157,437)	$ (396,847)	$ (50,995)	$ 50,995	$ 16,075,174
Changes in net assets/net income (loss)	(1,860,526)	(151,108)	5,816	(2,005,818)	-	-	-	(318,688)	(318,688)	318,688	(2,005,818)
Other comprehensive gain for postretirement medical benefit obligations, net of $19,000 of deferred taxes	-	-	-	-	-	-	39,094	-	39,094	(39,094)	-
Net Assets/Stockholder's Equity, June 30, 2010	12,602,043	1,369,953	97,360	14,069,356	100	503,189	(118,343)	(715,535)	(330,589)	330,589	14,069,356
Changes in net assets/net income	689,148	98,499	138,835	926,482	-	-	-	30,509	30,509	(30,509)	926,482
Other comprehensive gain for postretirement medical benefit obligations, net of $4,000 of deferred tax benefit	-	-	-	-	-	-	12,916	-	12,916	(12,916)	-
Net Assets/Stockholder's Equity, June 30, 2011	$ 13,291,191	$ 1,468,452	$ 236,195	$ 14,995,838	$ 100	$ 503,189	$ (105,427)	$ (685,026)	$ (287,164)	$ 287,164	$ 14,995,838

WITF, Inc. and Subsidiary

Consolidating Schedule of Revenue Information
Years Ended June 30, 2011 and 2010
(See Auditors' Report on Supplementary Information)

	2011			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Memberships	$ 1,919,996	$ -	$ -	$ 1,919,996
Program underwriting	1,689,265	-	-	1,689,265
Topflight media revenue	-	1,441,367	-	1,441,367
Federal grants	1,352,892	-	-	1,352,892
Educational Broadband Service	1,283,547	-	-	1,283,547
Central PA advertising	744,097	-	-	744,097
Capital Campaign	571,750	-	-	571,750
Cash contributions	684,286	-	-	684,286
Program revenue	663,705	-	-	663,705
Satellite uplink services	627,114	-	-	627,114
Radio PA revenue	-	436,235	-	436,235
Special gifts	430,560	-	-	430,560
Interest income	405,699	-	-	405,699
NASRN advertising revenue	-	384,447	-	384,447
Gain on sale of investments	365,401	-	-	365,401
Tower rental	240,089	-	-	240,089
Other grants	141,044	-	-	141,044
Equipment rental	62,988	-	-	62,988
Teleconference revenue	52,125	-	-	52,125
State grants	36,000	-	-	36,000
TV revenue	20,248	-	-	20,248
Netsource revenue	8,628	-	-	8,628
Central PA and newsletter sales	6,321	-	-	6,321
Sale of premiums	3,619	-	-	3,619
School district revenue	3,155	-	-	3,155
Miscellaneous income	1,923	-	-	1,923
Management fee income	397,056	-	(397,056)	-
Investment in subsidiary income	43,425	-	(43,425)	-
Loss on disposal of property and equipment	(1,554)	-	-	(1,554)
	$ 11,753,379	$ 2,262,049	$ (440,481)	$ 13,574,947

WITF, Inc. and Subsidiary

Consolidating Schedule of Revenue Information
Years Ended June 30, 2011 and 2010
(See Auditors' Report on Supplementary Information)

	2010			
	WITF, Inc.	WITF Enterprises, Inc.	Eliminations	Totals
Memberships	$ 1,849,282	$ -	$ -	$ 1,849,282
Program underwriting	1,856,239	-	-	1,856,239
Topflight media revenue	-	839,704	-	839,704
Federal grants	1,488,922	-	-	1,488,922
Educational Broadband Service	1,283,547	-	-	1,283,547
Capital Campaign	186,322	-	-	186,322
Central PA advertising	766,085	-	-	766,085
Cash contributions	677,266	-	-	677,266
Program revenue	408,704	-	-	408,704
Satellite uplink services	746,782	-	-	746,782
Radio PA revenue	-	346,455	-	346,455
Special gifts	473,876	-	-	473,876
Interest income	306,292	-	-	306,292
NASRN advertising revenue	-	226,867	-	226,867
Gain on sale of investments	328,963	-	-	328,963
Tower rental	253,865	-	-	253,865
Other grants	100,884	-	-	100,884
Equipment rental	70,889	-	-	70,889
Teleconference revenue	60,024	-	-	60,024
State grants	176,790	-	-	176,790
TV revenue	21,912	-	-	21,912
Netsource revenue	17,298	-	-	17,298
Central PA and newsletter sales	8,827	-	-	8,827
Sale of premiums	3,257	-	-	3,257
School district revenue	6,497	-	-	6,497
Miscellaneous income	486	-	-	486
Management fee income	392,256	-	(392,256)	-
Investment in subsidiary income	(279,594)	-	279,594	-
Special events	18,238	-	-	18,238
Video and audio tape sales	75	-	-	75
	$ 11,223,984	$ 1,413,026	$ (112,662)	$ 12,524,348

WITF, Inc. and Subsidiary

Consolidating Schedule of Functional Expenses Information - by Natural Classification
Years Ended June 30, 2011 and 2010
(See Auditors' Report on Supplementary Information)

	2011								2010
	Program Services				Support Services				
	Programming and Production	Broadcasting and Income Taxes	Program Information	Tele-communications	Fundraising	Management and General	Eliminations and Adjustments	Totals	Totals
Salaries	$ 1,080,163	$ 1,096,340	$ 564,238	$ 84,692	$ 575,451	$ 366,390	$ -	$ 3,767,274	$ 3,795,349
Operating expenses of subsidiary	-	1,887,397	-	-	-	-	-	1,887,397	1,487,561
Depreciation and amortization	483,262	773,552	60,962	62,627	114,105	149,587	-	1,644,095	1,635,283
Program acquisition	905,604	525,220	-	-	-	-	-	1,430,824	1,332,793
Interest expense	373,551	122,670	52,372	85,600	117,695	177,421	-	929,309	984,140
Direct labor	323,638	113,845	63,042	31,800	366	2,721	-	535,412	518,421
Direct material	312,748	-	-	94,817	112,012	-	-	519,577	457,187
Group life and hospitalization	138,650	102,164	62,319	11,670	81,846	42,061	-	438,710	464,377
Maintenance and repairs	125,750	50,080	11,117	29,738	82,360	42,127	-	341,172	252,560
Payroll taxes	98,216	67,358	44,146	8,267	57,978	29,795	-	305,760	306,698
Power and light	131,663	63,295	13,019	21,280	29,259	44,106	-	302,622	257,362
Affiliate dues and fees	186,303	66,816	-	-	-	17,000	-	270,119	280,331
Cost of premiums	-	-	6,881	-	211,208	-	-	218,089	213,758
Direct mail promotion	-	-	-	-	215,252	-	-	215,252	176,062
Outside printing	171	357	177,750	20	2,330	278	-	180,906	163,493
Pension	57,435	40,275	25,815	4,834	33,903	17,423	-	179,685	260,906
Barter expenses	3,199	1,936	126,079	30,224	2,188	1,823	-	165,449	189,440
Banking fees	76,569	-	-	35	(20)	77,825	-	154,409	135,713
Professional fees	31,632	18,353	13,120	1,525	10,692	61,875	-	137,197	118,595
Consulting services	6,045	1,463	79,354	100	-	36,674	-	123,636	80,090
Insurance	25,403	27,789	7,111	4,606	8,259	46,551	-	119,719	151,695
Rent, tower site	1,099	33,253	-	84,024	-	-	-	118,376	119,494
Telemarketing	-	-	-	-	90,579	-	-	90,579	101,853
Contributed services	88,788	-	-	-	-	-	-	88,788	88,788
Postage	5,572	8,831	70,412	211	2,692	51	-	87,769	95,070
Pledge activity	-	-	-	-	85,999	-	-	85,999	91,129
Telephone	18,006	15,100	9,943	2,822	13,738	14,298	-	73,907	74,281
Membership maintenance	-	-	-	-	65,933	-	-	65,933	60,128
Pennsylvania unemployment insurance	20,214	12,758	9,086	1,702	11,933	6,133	-	61,826	53,479
Provision for uncollectible accounts	-	-	13,595	19,305	11,973	-	-	44,873	36,934
Internet access	17,598	15,707	-	-	-	5,236	-	38,541	37,058
Dues and subscriptions	16,172	910	172	1,050	7,050	10,355	-	35,709	31,530
Travel and entertainment	657	855	5,846	4,960	15,503	6,978	-	34,799	47,393
Training	2,882	-	-	-	1,920	17,292	-	22,094	8,660
Other building utilities	5,164	10,505	724	1,183	1,627	2,452	-	21,655	19,709
Data processing supplies	5,314	3,331	2,709	370	3,606	3,005	-	18,335	23,520
Other employee benefits	4,298	2,333	1,905	357	2,502	1,286	-	12,681	14,837
Data processing services	-	-	-	-	-	12,548	-	12,548	11,552
Amortization of broadcast rights	12,418	-	-	-	-	-	-	12,418	24,333
Gas and oil, vehicles	4,621	1,578	191	4,779	300	220	-	11,689	6,357
Office supplies	852	9,223	393	47	635	526	-	11,676	11,097
Other expenses	120	9,051	-	106	-	5	-	9,282	9,111
Amortization of loan costing costs	3,316	1,089	465	760	1,045	1,575	-	8,250	427,141
Miscellaneous	994	30	2,863	164	630	3,069	-	7,750	6,654
Recruitment	(418)	4,900	(214)	(29)	(285)	(188)	-	3,766	4,563
Rent, equipment	(2,707)	7,924	(380)	(620)	(268)	(1,286)	-	2,663	4,291
Art supplies	-	-	1,662	-	-	-	-	1,662	987
Video heads and tapes	875	18	-	585	-	-	-	1,478	2,130
Copier supplies	(2,218)	7,523	(1,140)	(156)	(1,518)	(1,247)	-	1,244	3,373

Award entry fees	325	775	-	-	-	-	-	1,100	1,275
Depreciation expense of subsidiary	-	1,087	-	-	-	-	-	1,087	3,897
Special surveys	829	-	-	-	-	-	-	829	9,364
Miscellaneous supplies	-	-	90	738	-	-	-	828	726
Taxes and licenses	-	-	-	-	-	450	-	450	450
Advertising expense	-	-	(1,047)	495	974	-	-	422	63,994
Lighting supplies	177	-	-	-	-	-	-	177	-
Audio supplies	-	152	-	-	-	-	-	152	341
Parking expense	-	-	-	35	-	-	-	35	-
Station compensation	-	-	-	-	-	-	-	-	(1,806)
Income taxes of subsidiary	-	(54,000)	-	-	-	-	-	(54,000)	(152,000)
	$ 4,564,950	$ 5,051,843	$ 1,424,600	$ 594,723	$ 1,971,452	$ 1,196,415	$ -	$ 14,803,983	$ 14,603,507